

Resource Capital Corp.
Form 10-Q
August 08, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 1-32733

RESOURCE CAPITAL CORP.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

20-2297134
(I.R.S. Employer
Identification No.)

712 5th Avenue, 10th Floor
New York, New York
(Address of principal executive
offices)

10019
(Zip code)

(Registrant's telephone number, including area code): 212-506-3870

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer	<input type="checkbox"/>		Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	(Do not check if a smaller reporting Company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

The number of outstanding shares of the registrant's common stock on August 6, 2008 was 25,282,632 shares.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

RESOURCE CAPITAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	June 30, 2008 (Unaudited)	December 31 2007
ASSETS		
Cash and cash equivalents	\$ 14,255	\$ 6,029
Restricted cash	36,292	119,482
Investment securities available-for-sale, pledged as collateral, at fair value	47,074	65,464
Loans, pledged as collateral and net of allowances of \$20.3 million and \$5.9 million	1,798,504	1,766,639
Direct financing leases and notes, pledged as collateral and net of allowances of \$0.1 million and \$0.3 million and net of unearned income	92,104	95,030
Investments in unconsolidated entities	1,548	1,805
Interest receivable	9,112	11,965
Principal paydown receivables	60	836
Other assets	5,072	4,898
Total assets	\$ 2,004,021	\$ 2,072,148
LIABILITIES		
Borrowings	\$ 1,722,244	\$ 1,760,969
Distribution payable	10,440	10,366
Accrued interest expense	4,599	7,209
Derivatives, at fair value	12,833	18,040
Accounts payable and other liabilities	3,557	3,958
Total liabilities	1,753,673	1,800,542
STOCKHOLDERS' EQUITY		
Preferred stock, par value \$0.001: 100,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, par value \$0.001: 500,000,000 shares authorized; 25,282,632 and 25,103,532 shares issued and outstanding (including 491,195 and 581,493 unvested restricted shares)	25	25
Additional paid-in capital	355,969	355,205
Accumulated other comprehensive loss	(43,579)	(38,323)
Distributions in excess of earnings	(62,067)	(45,301)
Total stockholders' equity	250,348	271,606
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,004,021	\$ 2,072,148

The accompanying notes are an integral part of these statements

RESOURCE CAPITAL CORP. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (in thousands, except share and per share data)
 (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
REVENUES				
Loans	\$ 28,686	\$ 33,107	\$ 61,125	\$ 63,388
Securities	1,158	7,908	2,339	15,304
Leases	1,961	1,901	3,951	3,811
Interest income – other	453	910	1,826	1,311
Interest income	32,258	43,826	69,241	83,814
Interest expense	18,924	30,222	42,072	56,989
Net interest income	13,334	13,604	27,169	26,825